2018 Annual Green Tier Report – KS Kolbenschmidt, US Inc., Marinette, WI

KS Kolbenschmidt US, Inc. (KS KUS) is located in Marinette, WI and produces pistons for passenger cars as well as light- and medium-duty commercial vehicle engines. The latter part includes a range of piston products for marine, industrial and leisure applications (motor boats and motorbikes). Being in the industry for over 72 years, KS KUS is an industry leader in responding to environmental impacts throughout the automotive industry.

The facility has been certified to the ISO 14001 standard since 2002 and was accepted into the Green Tier Program in November of 2014. With a mature EMS system in place, continuous improvement to the system require continued diligence and challenge to the management and employees. The EMS continues to meet and exceed expectations and is on track to reach the facility-wide environmental goals.

An important aspect of the EMS is maintaining the achievements already realized since 2002 and continuing to set objectives that will drive the EMS forward. The EMS is defined by upper management which has a strong commitment to the environment. KS KUS strives to continually improve the workplace and prevent harmful situations for both employees and the environment. Key elements of the EMS include compliance with all applicable legal requirements, maintaining past environmental objectives and targets, and setting and reviewing new objectives.

EMS AUDIT REPORT

Annual external audits of the ISO14001 EMS by a certification body was most recently conducted in August 2017 (surveillance audit). The focus of the EMS since then has been the transition to the ISO14001:2015 standard. The initial survelliance audit to the new ISO14001:2015 standard is scheduled for July 2018.

The 2017 audit reported zero non-conformities. Six opportunities for improvement were recommended for consideration. Positive observations included good detail relative to findings during internal audits and attentions to OFIs and great involvement from the environmental engineers.

DESCRIPTION OF PROGRESS

Key objectives and final results defined in 2017 are listed below:

2017 ISO14001
Environmental Objectives & Targets

Item #	Objective	Action by	Date for completion	Target/Measure of success	Results
1	**Reduce water and electricity by 3%**	Operations	12/31/2017	**Charts - Reduce water and electric usage**	**Electricity 2017: Goal 5.42. Actual 5.94 3% increase. Water 2017:Goal 3.75 Actual 3.88, .5% increase. Product mix changed from forecast, more MD/Steel and less Automotive - more water & electricity required to produce.**
2	**Eliminate ECM process for Steel product**	Steel Team	12/31/2018	**ECM process is replaced by alternative process and equipment is removed.**	**ECM removal still in-progress, customer approval required.**
3	**Reduce paper usage**	1) Create baseline / form team (Welty/ISO14001 task team) 2) Accounts Payable - obtain CE approval for scanning capability. Implement paperless payable process company wide (KSKUS) (Gabel/ Walters)	1) 12/31/2017 2) 12/31/2018	**1) Current usage determined. Team formed, actions identified to go paperless. 2) Eliminate paper records from Accounts Payable by end of 2018 (including currently stored records)**	**Accounting in-process of going paperless for accounts payable.**

Key objectives in 2018 are listed below:

2018 ISO14001
Environmental Objectives & Targets

Item #	Objective	Action by	Date for completion	Target/Measure of success	Actions
1	Reduce water and electricity by 2% (EMS CP Aspect- Industrial Waste)	Operations	12/31/2018	Charts - 2% improvement from 2017 (Electricity 2017 5.94%. 2018 Goal 5.82%) (Water 2017 3.9%. 2018 Goal 3.8%)	Shift structure change Equipment removal /realignment: MD Batch processes, Shoun 1, Articulated cells.
2	Increase Facility awareness of recycling. Reduce or no increase in landfill, improve recycling. (EMS CP Aspect- Recycling, Solid Waste)	ISO14001 Task team / Purchasing	12/31/2018	Energy database. Landfill (no increases) and monitor recycling tonnage. (Some changes may result in a reduction of recycling - reuse of pallets/reduction of incoming cardboard)	Increase employee awareness of requirement to recycle plastics, cardboard - Communication, reinforce discipline. Identify how to determine highest cardboard usage area. Work with Purchasing to investigate and implement changes to reduce incoming cardboard.
3	Go Paperless Quality / Accounting documents (EMS CP Aspect - Natural Resource)	1) Quality, Production 2) Accounting	12/31/2018	20% reduction in paper purchased from paper supplier.	1) Reduce or eliminate use of paper copies for BMS documentation (procedures, WI, forms). 2). Accounts Payable- implement software for paperless system (test in Feb 2018)

As a mature EMS, we are always striving to maintain and improve historical accomplishments. Monitoring and reporting recycling data is important to stay on track. Key recycling areas are maintained and communicated to all associates within the organizations:

KS KUS ISO14001 Pollution Prevention!

Recycling & Beneficial Reuse Accomplishments

Program		2013	2014	2015	2016	2017	2018				
							1st Qrt	2nd Qrt	3rd Qrt	4th Qrt	YTD
Onsite Chip Recycling	tons	4,047	4,124	3,890	3,420	3,460	866				866
Onsite Scrap Recycling	tons	4,688	4,475	3,625	3,174	3,032	781				781
Spill Socks & Pads Program	tons	39	44	52	46	50	12.4				12
Copper Mesh	pounds	914	218	252	257	1,380	-				-
Steel Turnings, Misc. Steel, & Misc Steel w/ turnings	tons	1,042	1,117	1,269	899	995	307				307
Aluminum Dust	pounds	113,960	85,100	103,600	90,980	91,200	24,440				24,440
Fluorescent Bulbs	bulbs	2,189	1,063	1,398	1,459	1,391	362				362
Batteries (Facility & Associate Household)	pounds	2,534	3,919	1,900	791	1,376	490				490
Computer Equipment	pounds	397	4,758	100	5,003	5,245	1,689				1,689
Wood, Cardboard, and Paper	tons	1,730	583	335	246	231	71				71
Used Oil Recycling	gallons	4,450	8,200	1,950	7,500	4,200	-				-
Sodium Hydroxide Beneficial Reuse (Ultrasonic Cleaner)	gallons	2,800	1,300	600	650	1,025	-				-
Coating Department Beneficial Reuse Chemicals	gallons	1,500	3,300	1,350	0	0	-				-

TRANSPORTATION

Being a world class piston manufacturer means the KS KUS has shipments leaving the plant for destinations across the nation on a daily basis. However, KS KUS tries to balance out the effects on the environment by providing workers with opportunities to burn a little less fuel. All locker rooms in the facility are equipped with showers, and bike racks are available at most entrances. All lunch rooms now have a dedicated board for healthy living, where employees can find recipes, recycling and energy saving tips, and ideas to help get active.

STAKEHOLDER INVOLVEMENT

KS KUS strives to maintain open relationships with employees and community members. KS KUS builds employee awareness about environmental issues through a comprehensive recycling program, weekly safety meetings, quarterly trainings, postings and newsletter articles. KS KUS is actively involved with the local Chamber of Commerce and has representatives on several community event committees. Tours of the KS KUS facility take place several times a year for local busineses, schools, and state and local political representatives, highlighting the technology and recycling practices in place within the facility. Maintaining an open door policy is imperative for company success – any employee or community memeber may speak with management about safety or environmental concerns at any time. Pistons are designed with the environment in mind, including end of life recycling and reduction of engine emissions.

DNR RELATIONSHIP

KS KUS has maintained a history of compliance with all major environmental regulations. Current permits are held under the Clean Air Act (State Operating Permit), WPDES, and local wastewater utility. The facility is also subject to the Oil Pollution Act (SPCC), EPCRA, TSCA, NESHAPs, Hazardous Matirials Shipping and European Union requirements. The Green Tier program has been a positive for the facility with its relationship with the DNR. Green Tier has helped increase the partnership with both Air Program and Waste Program contacts.

CONCLUSION

KS KUS continues to be dedicated to the environment and increased environmental awareness of the automotive industry. Local, state, national, and worldwide stakeholders have a positive effect on the facility's EMS. The commitment to regulatory compliance and reducing environmental impacts has been at the core of the business planning. The commitment by management to the EMS has put KS KUS in great position to meet the expectations of the ISO14001:2015 standard which will cover the 2018 audit. The EMS implemented in conformance with ISO14001, and in accordance with Green Tier, has provided an organizational structure to drive lasting and meaningful improvements.